

SENATE GROUP GIVES BACKING TO HAMILTON

Committee Approves New Yorker To Head Foreign Aid Plan

By JOSEPH R. L. STERNE
[Washington Bureau of The Sun]

Washington, Sept. 23—The Senate Foreign Relations Committee today unanimously approved the nomination of Fowler Hamilton as director of the new Agency for International Development.

This made it likely that the full Senate would confirm the appointment before adjourning until January.

Hamilton, a 50-year-old Manhattan lawyer with extensive international business experience, was selected by President Kennedy to head the foreign aid program only two days ago.

He assured the Foreign Relations Committee today he would resign as legal counsel for the iron ore consortium in Liberia and end all connections with his law firm to avoid any possible conflicts of interest.

Labouisse Passed Over

As aid director, Hamilton will take over supervision of the International Cooperation Administration, the Development Loan Fund and other elements of the foreign assistance program that are being consolidated in one over-all agency.

He will hold the rank of Under Secretary of State.

Henry R. Labouisse, the present ICA director, who steered the Kennedy Foreign Aid Bill through Congress, was passed over for the new \$22,500 post. According to the White House, Labouisse will be given another high position in the Government, probably in the State Department.

At today's hearing, a perfunctory affair, several senators spent as much time praising Labouisse as they did in questioning Hamilton.

Morse Gives Advice

Senator Morse (D., Ore.) pointedly told the nominee that he would do well to direct the foreign aid program with "the same distinction" as Labouisse.

No mention was made of George D. Woods, chairman of the First

Boston Corporation, who at one time was the President's top choice for the aid position.

Woods withdrew his name from consideration after a number of Senators warned they would raise objections because of the financier's involvement in the controversial Dixon-Yates case of the early 1950's.

In the course of today's questioning, Hamilton made it clear he fully supports the President's plan to put the development loan program on a long-term basis.

Has Few Illusions

But he also let it be known that he has few illusions about the prospects for increasing the flow of American investments to underdeveloped countries—despite the added insurance guarantees provided in the new foreign aid law.

Hamilton said American industry long has been willing to risk its capital in mining and oil drilling abroad and though it is "possible" that other types of industry can be induced to go into less developed regions, he said he "would be very much surprised" if the volume of such investments could equal those of the attractive industries.

Some Restrict Investments

"I don't mean to be discouraging," the new foreign aid chief told the committee, "but it is important to realize the difficulties in this field."

Industries not involved in the tapping of natural resources, he explained, are more inclined to restrict their investments to the United States and Western Europe.

When Senator Gore (D., Tenn.) and Senator Morse complained about the practices of some American companies abroad, especially in regard to harsh labor policies and the charging of high interest rates, Hamilton said he would use his influence to encourage overseas firms to set a good example.

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"There is no more effective way to gain respect for our country than through the example of decent American business," he observed.

Born In Kansas City, Mo.

The new foreign aid chief was born in Kansas City, Mo. He is a graduate of the University of Missouri and Oxford University, England, where he was a Rhodes scholar.

He spent much of his early career in government as an economic warfare expert and a high officer in the Justice Department. In 1946 he joined the Wall Street law firm of Cleary, Gottlieb, Steen and Hamilton, where, as a specialist in foreign business operations, he found the opportunity to travel abroad extensively.

A Democrat, Hamilton served on a Kennedy task force and was frequently named as a prospect for a top-post in government.

Before his nomination as foreign aid director, he was mentioned as a possible successor to Allen W. Dulles, who will resign shortly as director of the Central Intelligence Agency.

Senator Prouty (R., Vt.) strongly criticized the administration today for failing to name a new CIA chief before the adjournment of Congress.